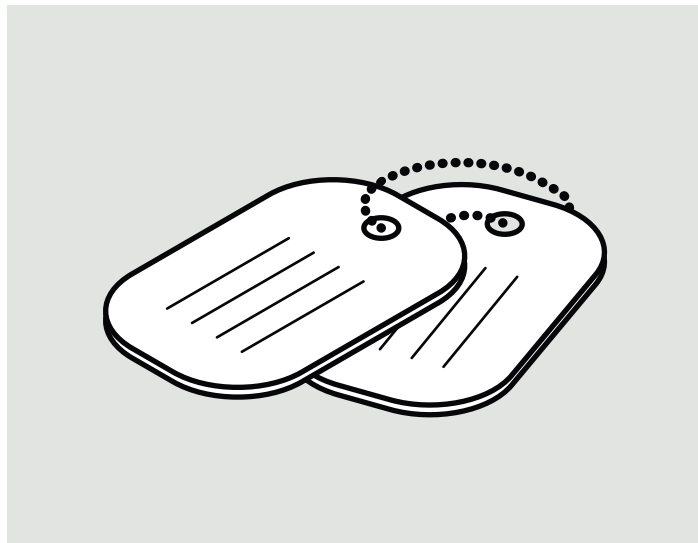


Pension advance products

Protect your military retired pay and other guaranteed annuities.

Be wary of companies offering to provide advances, buyouts or loans based on your entitlements and make sure you understand the REAL costs involved. For example, there are companies targeting retirees who may need access to cash by offering them lump sum “advances” on their pension or benefits payments. These so-called advances are reported to carry interest rates from 27 to 106 percent, thereby threatening many older borrowers’ safe retirement. Reports indicate lenders have arranged for veterans’ monthly retiree payments to be automatically deposited in a newly created bank account and then debited to pay back the loan and interest.

In the case of veterans, federal law prohibits assigning most military pensions or veterans benefits to a third party. Many firms may try to get around this by calling the lump sum payment a loan or an advance. Whatever the name, these transactions generally are not a good deal for veterans or other retirees. An important resource for you is the Consumer Financial Protection Bureau (CFPB) whose mission is to make markets for consumer financial products and services work for Americans; their Office of Servicemember Affairs is dedicated to consumer financial issues affecting veterans and their families.



Here are some tips if you are offered a pension advance loan:

- Say no to arrangements allowing a creditor access to the account where you receive your benefits.
- Seek advice from a trusted financial expert if you need emergency funds; other arrangements may be less costly.
- Visit ‘Ask CFPB’ for answers to common questions about consumer financial products and other options at consumerfinance.gov/askcfpb.
- If you believe you were treated unfairly, share your story with the CFPB under the ‘Tell Your Story’ page at help.consumerfinance.gov/app/tellyourstory; tag your issue “pension advance loan”.

- An informed consumer is the first line of defense against abusive practices. For more information on a variety of topics, go to the CFPBs website at consumerfinance.gov where you can get assistance and information on a variety of topics including those for Veterans and Older Americans.

If you have a complaint about banking, credit cards, credit reporting, money transfers, mortgages, student loans, vehicle loans, or consumer loans report it to your state's consumer protection bureau and to the CFPB at consumerfinance.gov/complaint/.

Contact Us



Website

consumerfinance.gov/complaint



Submit a complaint by phone

(855) 411-CFPB (2372)

(855) 411-CFPB (2372)



Submit a complaint by fax

(855) 411-CFPB (2372)



General inquiries

Consumer Financial

Protection Bureau

P.O. Box 4503

Iowa City, Iowa 52244